GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

MA&UD Department - Eluru Smart City Corporation Limited (ESCCL) - Swiss Challenge Proposal submitted by M/s. Shapoorji Pallonji and Company Private Limited (SPCPL) (OPP) for Eluru Smart City – Constitution of Committee for Negotiations- Orders Issued.

MUNICIPAL ADMINISTRAION & URBAN DEVELOPMENT (UBS) DEPARTMENT

G.O.MS.No. 32 Dated: 22-01-2019

Read the following:

1. G.O.Ms.No. 58 Municipal Administration & Urban Development(UBS)Department dated 08.02.2017.
2. G.O.Ms.No. 250 Municipal Administration & Urban Development (UBS) Department dated 31.07.2018.
3. G.O.Ms.No.392 Municipal Administration & Urban Development (UBS) Department dated 10.12.2018.
4. From the Director ESCCL Letter No 023/ESCCL/2017-18 dated 07.01.2019

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O R D E R:

In the reference 1st read above, Government ordered that the Eluru Smart City project shall be implemented through Integrated Infrastructure Development approach through Hybrid Annuity Model based on Financial feasibility and considerations through Swiss Challenge Approach and considered the EoI submitted by SPCPL as an Original Project Proponent (OPP) and the developer selection process shall be carried out as per the provisions as per the Andhra Pradesh Infrastructure Development Enabling (Amendment) Act 2001. Andhra Pradesh Urban Infrastructure Asset Management Limited shall act as a transaction adviser for the said project.

2. In the reference 2nd read above Government considered the detailed proposal submitted by M/s.SPSCPL for Eluru Smart City and permitted the Eluru Smart City Corporation Limited to invite the counter proposals under Swiss Challenge approach as per APIDE Act, 2001 and Amendment issued from time to time.

3. In the reference 3rd read above Eluru Smart City Corporation Limited has been permitted to move forward with the issue of RFP (Stage.2) and invite counter proposal from the qualified bidder as per the provisions of the Andhra Pradesh Infrastructure Development Enabling Act, 2001 & Amendment Act No.3 of 2017 (the APIDE Act) and assess the reasonableness of the commercial bid of the Original Project Proponent along with the counter proposal so received from the qualified bidder and examine the same with the internal benchmark value as arrived by the ESCCL for the subject project and upon evaluation and further negotiations vis-à-vis Internal Bench Mark and take a final decision keeping the interest of the State paramount.

4. In the reference 4th read above the Director, Eluru Smart City Corporation Limited has informed that the ESCCL has issued the RFP document to M/s NCC Limited and M/s NCC Limited has submitted its RFP on 31st December 2018. The Commercial Bid of M/s NCC Limited was opened on 3rd January 2019 at 4:00 PM at the office of Eluru Municipal Corporation. The entire process has been evaluated and the project PMC & Transaction Advisor has submitted the evaluation report.

5. Government on examination observed that the quote of the OPP with a premium of 17.5% is very high and the counter proposal from the qualified bidder i.e. M/s NCC Limited has quoted a premium of 16.95%. The difference between the OPP and the counter challenge proposals of the M/s NCC is only 0.55%. The APUIAML who are the PMC of the project has based on various approaches, given the integrated nature of project which is expected to completely transform Eluru, suggested a premium up to 12% as reasonable.

6. Government on thorough examination of the entire issue have decided to constitute a Committee to go through the proposal and negotiate with the Original Project Proponent to bring down the premium. The Committee shall encompass the following Officials.

1.	Shri. Kutumba Rao, Vice Chairman, SPB	Chairman
2.	Shri. Ravichandra, Secretary, Finance Department	Member
3.	Shri. K. Kanna Babu, DMA	Member
4.	Shri. Praveen Kumar , Collector, West Godavari	Member
5.	Shri. Prakash Gaur, CEO, APUIAML	Member
6.	Shri Mohan Rao, Commissioner Eluru Municipal Corporation	Member/Convener

7. The Commissioner, Eluru Municipal Corporation shall take immediate necessary action in the matter.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

R.KARIKAL VALAVEN
PRINCIPAL SECRETARY TO GOVERNMENT

To
Shri. Kutumba Rao, Vice Chairman, State Planning Board, A.P.Secretariat.
Shri. Ravichandra, Secretary, Finance Department, A.P.Secretariat
Shri. K. Kanna Babu, Director of Municipal Administration, Guntur.
Shri. Praveen Kumar , Collector, West Godavari District.
Shri. Prakash Gaur, CEO, APUIAML., Vijayawada
Shri Mohan Rao, Commissioner, Eluru Municipal Corporation, Eluru
Sf/Sc

//FORWARDED BY ORDER//

DEPUTY DIRECTOR